GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 13, 2014

H. Benson Lewis, Resident Agent
Savage Services Corporation
6340 South 3000 East, Suite 600
Salt Lake City, Utah 84121

Subject: Five-Year Permit Renewal, Savage Coal Terminal, Savage Services Corporation, C/007/0022, Task ID #4572

Dear Mr. Lewis:

The permit renewal for the Savage Coal Terminal is approved effective August 7, 2014. Enclosed are two (2) copies of the renewed permanent program permit with one condition for the Savage Coal Terminal to be signed by the designated signatory authority for Savage Services Corporation.

Please return one signed original to the Division.

If you have any other questions, please call me or Daron R. Haddock at (801) 538-5325.

Sincerely,

John R. Baza
Director

JRB/DRH/ss
Enclosures
O:\007022.SAV\PERMIT\2014Permit\DecisionDocument2.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL

Savage Services Corporation
Savage Coal Terminal
C/007/0022
Carbon County, Utah

June 13, 2014

CONTENTS

* Administrative Overview
* Permitting Chronology
* Findings
* Permit
* Publication Notice
* AVS Recommendation

ADMINISTRATIVE OVERVIEW

Savage Services Corporation
Savage Coal Terminal
C/007/0022
Carbon County, Utah

June 13, 2014

BACKGROUND

The Savage Coal Terminal receives, processes, stores and ships coal from various coal mines in the area. In general, coal is brought in by truck and dumped through 1 of 5 separate truck dump locations. The coal is then screened and/or crushed, washed if required, and conveyed into specific storage areas. When ordered, specific coal is withdrawn from the pile and loaded into the silo by conveyor. The coal is then loaded into a unit train at the silo, and shipped to the desired location.

The site has a long history of coal preparation and loading operations. Utah Power & Light originally leased the site for coal loading operations because of its proximity to the Denver and Rio Grande Western (D&RGW) railroad siding. Swisher Coal Company purchased the SW1/2 of Section 11 for the purpose of developing a preparation and loadout facility for unit coal trains. Original UP&L disturbance occurred in 1975. Expansion activities by Swisher Coal Company were conducted between October 1977 and April 1978. The site was purchased and permitted by ARCO Coal in 1980. The local company name was changed from Swisher Coal Company to Beaver Creek Company. This permit was transferred from Beaver Creek Coal Company to Mountain Coal Company on September 12, 1991.

Mountain Coal Company transferred this permit to Savage Industries, Inc. on July 6, 1995 and changed the name to the Savage Coal Terminal. The name changed from Savage Industries, Inc. to Savage Services, Inc. on January 20, 2003.

The permit area, comprising 153.46 acres, is located approximately four miles south-southeast of Price, Utah, and approximately one mile from the Price River floodplain. The site is characterized by gently-sloping terrain. Soils are fine textured and saline, supporting a salt desert vegetation community.

PERMIT RENEWAL

The application for permit renewal was submitted on April 1, 2014. This renewal application was determined administratively complete on April 15, 2014. Public notice for this permit renewal was published in the Sun Advocate on April 22, 29, May 6 and 13, 2014.

This renewal encompasses the same permit area and disturbance as currently approved in the permit.

ANALYSIS

The permit renewal application was received at least 120 days prior to permit renewal. All notices were published as required. No comments were received.

RECOMMENDATION

Approval for this permit renewal is recommended.

PERMITTING CHRONOLOGY

Savage Services Corporation
Savage Coal Terminal
C/007/0022
Carbon County, Utah

June 13, 2014

April 1, 2014	Savage Services Corporation submitted the permit renewal application for the Savage Coal Terminal.
April 15, 2014	Determination of Administrative Completeness of permit renewal application.
April 15, 2014	Permit renewal completeness determination sent to applicable state, federal, and county agencies.
April 22, 29 and May 6 and 13, 2014	Public notice for permit renewal for the Savage Coal Terminal published in the Sun Advocate.
June 12, 2014	End of public comment period. No comments received.
June 13, 2014	Permit renewed effective August 7, 2014.

PERMIT RENEWAL FINDINGS

Savage Services Corporation
Savage Coal Terminal
C/007/0022
Carbon County, Utah

June 13, 2014

1. The permit renewal term will not exceed the original permit term of five years. (R645-303-234).

2. The terms and conditions of the existing permit are being met. (R645-303-233.110).

3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. (R645-303-233.120).

4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. (R645-303-233.130).

5. The operator has provided evidence of maintaining liability insurance in full effect Greenwich Insurance Company, Policy RGE500038201)(R645-303-233.140).

6. The operator has a reclamation surety on file with the Division and has provided evidence that the surety will remain in full effect. (Liberty Mutual Insurance Company- #965-003-641 in the amount of $2,525,000) (R645-303-233.150).

7. To date, the operator has submitted updated information as required by the Division through this permit term. (R645-233.160).

Dana Haddock
Permit Supervisor

Associate Director of Mining

John R. Baza
Director

NON-FEDERAL **PERMIT** **August 7, 2014**
C/007/0022

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340

This permit, C/007/0022, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Savage Services Corporation
6340 South 3000 East, Suite 600
Salt Lake City, Utah 84121
(801) 944-6600

for the Savage Coal Terminal. Savage Services Corporation is the owner of fee-owned property. A performance bond is filed with the DOGM in the amount of $2,525,000.00, payable to the state of Utah, Division of Oil, Gas and Mining. DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1 **STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 **PERMIT AREA** - The permittee is authorized to conduct coal processing and loading on the following described lands within the permit area at the Savage Terminal situated in the state of Utah, Carbon County, and located:

Township 15 South, Range 10, East, SLBM

Section 11: W1/2SW1/4 except 0.24 ac. in NW corner,
E1/2SW1/4 except East 100 feet and 5.42 ac. in SW corner.

Also included in the permit area is a 20-foot Right-of-Way for a pipeline across the SE1/4NW1/4 and NW1/4NW1/4of Section 11 (1.21 acres), and across the SW1/4SW1/4, NW1/4/SW1/4, SW1/4NW1/4 and NE1/4NW1/4 of Section 2 (3.97 acres).

This legal description is for the permit area (153.46 acres) of the Savage Coal Terminal and included in the operation and reclamation plan on file at the Division. The permittee is authorized to conduct coal mining and reclamation activities connected with a preparation plant on the foregoing described property subject to the conditions of the leases, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 **PERMIT TERM** - This permit expires on August 7, 2019.

Sec. 5 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.

Sec. 6 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,

B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 7 **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 **ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;

B. immediate implementation of measures necessary to comply; and

C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 **CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 **EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-3023 for compliance, modification, or abandonment of existing structures.

Sec. 12 **RECLAMATION FEE PAYMENT** - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 **AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 **COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 **PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 **CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 17 **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.

Sec. 18 **SPECIAL CONDITIONS** - There are special conditions associated with this permitting action as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: _____

Date: 6/13/14

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

_____

Authorized Representative of the Permittee

By: _____

Date: _____

ATTACHMENT A
SPECIAL CONDITION

1. Savage Services Corporation will submit water quality data for the Savage Terminal in an electronic format through the Electronic Data Input web site, http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 22nd day of April, 2014, and that the last publication of such notice was in the issue of such newspaper dated the 13th day of May 2014.

Richard Shaw – Publisher

Subscribed and sworn to before me this 13th day of May, 2014.

Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, $ 369.60

NOTARY PUBLIC STATE OF UTAH
COMMISSION# 604351
COMM. EXP. 01-10-2015

PUBLIC NOTICE FOR PERMIT RENEWAL
SAVAGE COAL TERMINAL
SAVAGE SERVICES CORPORATION
901 W. LEGACY CENTER WAY
MIDVALE, UTAH 84047

Savage Services Corporation has filed with the Utah Division of Oil, Gas & Mining, an application for renewal of its Mining and Reclamation Plan Permit for the Savage Coal Terminal.

The permit for which renewal is being sought is Utah #C/007/022. This is a Mining and Reclamation Permit for the Savage Coal Terminal, which is located in the Miller Creek area of Carbon County, Utah in Sections 2 and 11, Township 15 South, Range 10 East, Salt Lake Base & Meridian.

The permit area is further described as follows: Sec. 11:W1/2SW1/4 except 0.24 ac. in NW corner, E1/2SWU4 except East 100' and 5.42 ac. in SW corner. Also included in the permit area is a 20' Right-of-Way for a pipeline across the SE14NW1/4 and NW1/4NW1/4 of Section 11 (1.21acres), and across the SW1/4SW1/4, NW1/4SW1/4, SW1/4NW1/4 and NE1/4NW1/4 of Section 2 (3.97 acres), all in Township 15 South Range 1.0 East, Salt Lake Base & Meridian. The area is located on the "Price Quadrangle", U.S. Geological Survey 7.5 minute map.

The application is available for inspection at the Carbon County recorder's office at 120 E. Main St., Price, Utah and the Utah Division of Oil, Gas & Mining office, 1594 West North Temple, Suite 1210, Salt Lake City, Utah.

Written comments, objections or requests for informal conferences on the application may be submitted to: State of Utah Department of Natural Resources, Division of Oil, Gas & Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate April 22, 29, May 6 and 13, 2014

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 13, 2014

TO: Internal File

FROM: Daron R. Haddock, Permit Supervisor

RE: Compliance Review for Section 510c Findings, Savage Services Corporation, Savage Coal Terminal, C/007/0022

As of the writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected. There are no finalized Civil Penalties, which are outstanding and overdue in the name of Savage Services Corporation. Savage Services Corporation does not demonstrate a pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is the findings evaluation from the Applicant Violator System (AVS), dated June 12, 2014.

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telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

U.S. Department of the Interior Office of Surface Mining
Applicant/Violator System

Click for the Office of Surface Mining Website

suzanne.steab (UT) | Logo

Home ▸ ENTITY ▸ APPLICATION ▸ PERMIT ▸ VIOLATION ▸ REPORTS ▸

HOME > ENTITY EVALUATE

Evaluation on Application Number: C0070022 SEQ:6
0 Violations

Print Report

Application Evaluation

Application Number	C0070022 SEQ:6
Applicant Name	153846 Savage Services Corp
Date of Request	6/12/2014 8:49:38 AM
Requestor	suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

There were no violations retrieved by the system

Evaluation OFT

Entities: 46

252516 Savage Companies - ()
---088390 David G Wolach - (Director)
---088390 David G Wolach - (Executive Vice President)
---088393 H Benson Lewis - (Chairman of the Board)
---088393 H Benson Lewis - (Executive Vice President)
---088393 H Benson Lewis - (Shareholder)
---088395 Neal Savage - (Chairman of the Board)
---088395 Neal Savage - (Shareholder)
---088397 Allen B Alexander - (Chairman of the Board)
---088397 Allen B Alexander - (Chief Executive Officer)
---088397 Allen B Alexander - (President)
---088397 Allen B Alexander - (Shareholder)
---088398 Howard F Goodman - (Director)
---088398 Howard F Goodman - (Senior Vice President)
---124668 James T Jensen - (Director)
---124668 James T Jensen - (Shareholder)

---129757 John Savage - (Director)
---129757 John Savage - (Senior Vice President)
---132161 Donald Alexander - (Director)
---132161 Donald Alexander - (Senior Vice President)
---145234 Todd L Savage - (Director)
---145234 Todd L Savage - (Executive Vice President)
---148986 Nathan N Savage - (Director)
---148986 Nathan N Savage - (Senior Vice President)
---153846 Savage Services Corp - (Subsidiary Company)
------088390 David G Wolach - (Executive Vice President)
------088395 Neal Savage - (Chairman of the Board)
------088397 Allen B Alexander - (Chairman of the Board)
------088397 Allen B Alexander - (Chief Executive Officer)
------088397 Allen B Alexander - (Director)
------088398 Howard F Goodman - (Senior Vice President)
------129757 John Savage - (Senior Vice President)
------132161 Donald Alexander - (Senior Vice President)
------132165 C Fred Busch - (Senior Vice President)
------132167 Raymond Alt - (Vice President)
------135987 Kenneth W Cooper - (Senior Vice President)
------145234 Todd L Savage - (Executive Vice President)
------145235 Kim F Christensen - (Senior Vice President)
------148981 Ellis Edwards - (Vice President)
------148983 Charles O Monroe - (Senior Vice President)
------148984 Jeff M Chesler - (Vice President)
------148986 Nathan N Savage - (Vice President)
------152250 Troy Reid - (Vice President)
------152251 Mark Wehmanen - (Vice President)
------155492 Gary L Plant - (President)
------155493 Kenneth D Ellzey - (Senior Vice President)
------155494 Curtis C Dowd - (Chief Financial Officer)
------155494 Curtis C Dowd - (Executive Vice President)
------155495 Boyd E Draper - (Vice President)
------155496 M Troy Savage - (Vice President)
------155498 Tad A Koch - (Vice President)
------155500 David L Harris - (Vice President)
------155501 Terrence Savage - (Vice President)
------155502 Kelly J Flint - (Assistant Secretary)
------155502 Kelly J Flint - (General Counsel)
------155502 Kelly J Flint - (Senior Vice President)
------252517 Amy Poulson - (Assistant Secretary)
------252518 Sharon Broadwater - (Vice President)
------252519 C Scott Smith - (Vice President)
------252520 Jack M Cohn - (Senior Vice President)
------252521 Jose L Fernandez - (Vice President)
------252522 Jerry Evenson - (Vice President)
------252523 Debra Rhodes - (Vice President)
------252524 Brad Crist - (Vice President)
------252525 Gerald Farrell - (Vice President)

------252527 Rob Davidson - (Vice President)
------252528 Jason Ray - (Senior Vice President)
------252529 Mike Miller - (Vice President)
------252530 Kent Avery - (Senior Vice President)
------254819 Kirk Aubry - (Chief Operations Officer)
------254819 Kirk Aubry - (Director)
------254819 Kirk Aubry - (President)
------254820 Samuel A Orme - (Vice President)
------254821 Ben Bates - (Assistant Secretary)
---155494 Curtis C Dowd - (Chief Financial Officer)
---155494 Curtis C Dowd - (Senior Vice President)
---155498 Tad A Koch - (Vice President)
---155500 David L Harris - (Controller)
---155500 David L Harris - (Vice President)
---155502 Kelly J Flint - (General Counsel)
---155502 Kelly J Flint - (Secretary)
---155502 Kelly J Flint - (Senior Vice President)
---252517 Amy Poulson - (Assistant Secretary)
---252518 Sharon Broadwater - (Vice President)
---252519 C Scott Smith - (Vice President)

Narrative

Request Narrative